

SUBJECT : HSC Requests Regarding Disposal of GFE [REDACTED]

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1. A contract was signed in June 1965 for the construction and installation of a [REDACTED] chamber [REDACTED]

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2. [REDACTED] paid for a building to house the [REDACTED] at a cost to the contractor of approximately [REDACTED]

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3. Included in the facility contract [REDACTED] was an amortization clause which states that the cost [REDACTED] would be amortized over a 10 year period starting March 1967. The [REDACTED] contract was terminated in May of 1975 at which time the remaining unamortized value to the government [REDACTED] was approximately \$46,000.

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4. ~~The decision to terminate~~ [REDACTED] of 1975 was based on a [REDACTED] budget reduction.

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a. No Agency need existed at that time nor in the foreseeable future [redacted]

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b. The test equipment in question has been used for approximately 8 years. The COTR considered it to be obsolete and excess to the Agency's needs [redacted]

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c. The unamortized value to the Government of [redacted] approximately \$46,000.

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e. Our civil engineers have estimated the cost of removal [redacted] and restoration of the building to be [redacted] (estimate attached). [redacted]

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6. In summary three options were available. Option b. below was chosen.

a. [redacted] restore the premises at the cost stated above.

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b. Negotiate a settlement [redacted] allowing the Government to abandon [redacted] in place and save the cost of removal and restoration.

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7. It is well to note that [redacted] \$18,500  
[redacted] was based on their  
assumption that other Government agencies or industry would  
make use of the facilities. To date [redacted] has not been  
able to sublet their facilities due to an insufficient market  
for the facility.

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Deputy Director of Communications

Attachment as stated

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